IN THE UNITED STATES

PATENT AND TRADEMARK OFFICE

APPLICANT(S):	Hirohisa A. Tanaka
APPLICATION NO.:	09/898,497
FILING DATE:	July 5, 2001
TITLE:	Method and Apparatus For Location-Sensitive, Subsidized Cell Phone Billing
EXAMINER:	Thein, Maria Teresa T
GROUP ART UNIT:	3627
ATTY. DKT. NO.:	20662-07121

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SUBSTITUTE APPEAL BRIEF

Responsive to the Notice of Non-Compliant Appeal Brief, please consider this Substitute Appeal Brief. This Brief includes an Evidence Appendix as requested by the Notice.

Real Party in Interest

The real party in interest in this Appeal is deCarta Inc., a California corporation.

Related Appeals and Interferences

This application was previously on appeal to the Board as Appeal No. 2005-2657. A copy of the Board's Decision is included in the Related Proceedings Appendix of this Brief.

No other prior or pending appeals, interferences or judicial proceedings are known to Appellant, Appellant's legal representative, or the Assignee that may be related to, directly affect or be directly affected by or have a bearing on the Board's decision in the pending appeal.

Status of Claims

Claims 1-33 are pending in this Application and stand rejected. Claims 1-33 are included in this Appeal.

Status of Amendments

No amendments have been filed subsequent to final rejection.

Summary of Claimed Subject Matter

The claimed invention enables telephone service providers and/or commercial establishments to provide an incentive to subscribers to place or receive mobile telephone calls or use mobile telecommunications data services from dynamically specified geographic locations by offering them a subsidy for calls made within a specified zone. (Spec., p. 3, lines 22-29.)

The independent claims of the application, claims 1, 12 and 23, refer, respectively, to a method, system and computer program product for determining a billing rate of a mobile telecommunications connection associated with a mobile telecommunications unit (MU). (Spec. p. 3, line 22-p. 4, line 18.) In particular, the billing rate is adjusted solely according to

whether the MU is inside or outside of a predetermined subsidized zone. (Spec. p. 7, lines 6-9; p. 9, lines 20-26.) If the MU is determined to be inside a subsidized zone, the connection is billed at a first predetermined rate. If, on the other hand, the MU is determined not to be inside the subsidized zone, the connection is billed at a second predetermined rate. (Spec. p. 3, lines 24-29).

Grounds of Rejection to be Reviewed on Appeal

Claims 1, 2, 4, 6-13, 15, 17-24, 26, 28-33 are rejected under 35 U.S.C. § 103(a) as being unpatentable over U.S. Patent Application No. US 2002/0077130 A1 to Owensby ("Owensby").

Claims 3, 5, 14, 16, 25 and 27 are rejected under 35 U.S.C. § 103(a) as being unpatentable over Owensby in view of U.S. Patent No. 6,411,891 to Jones ("Jones").

Argument

Rejections Under 35 U.S.C. § 103(a) in view of Owensby

Claims 1, 2, 4, 6-13, 15, 17-24, 26, 28-33

The Examiner rejected claims 1, 2, 4, 6-13, 15, 17-24, 26, and 28-33 under 35 U.S.C. § 103(a) as being unpatentable over U.S. Patent Application No. US 2002/0077130 A1 to Owensby. A claimed invention is not patentable if the subject matter of the claimed invention would have been obvious to a person having ordinary skill in the art. 35 U.S.C. § 103(a); *KSR Int'l Co. v. Teleflex Inc.*, 127 S. Ct. 1727, 82 USPQ2d 1385 (2007); *Graham v. John Deere Co. of Kansas City,*5 383 U.S. 1 (1966).

Claim 1 is illustrative:

A method for determining a billing rate of a mobile telecommunications connection associated with a mobile telecommunications unit (MU), comprising the steps of:

determining whether a location of the MU is inside or outside a predetermined subsidized zone;

responsive solely to a determination that the location of the MU is inside the predetermined subsidized zone, adjusting the billing rate for the telecommunications connection to a first predetermined billing rate; and

responsive solely to a determination that the MU is outside the predetermined subsidized zone, adjusting the billing rate for the telecommunications connection to a second predetermined billing rate

This application is before the Board for a second time. At the time of the first appeal, the claims stood rejected under 35 U.S.C. § 102(e) as anticipated by Owensby. After the Board affirmed the rejection, Appellants amended the independent claims to require that the billing rate is adjusted to the first or second predetermined billing rate "responsive solely" to a determination that the MU is inside or outside of the subsidized zone. (Amendment D, p.2.) The Examiner then issued the instant rejection, again based on the same Owensby reference, but as a rejection under 35 U.S.C. § 103(a) rather than 35 U.S.C. § 102(e).

As the Examiner admits, the limitations of claim 1 are not disclosed by Owensby. The Examiner's contention, however, that the steps of claim 1 are an obvious modification of Owensby is incorrect—and in fact, such a modification of Owensby would alter its principle of operation.

Owensby discloses providing a subsidy to mobile phone users who agree to receive advertisements on their wireless devices. (Owensby paragraph 60.) If the user does not accept advertisements, then there is no subsidy applied. (Owensby para. 62.) If a user does accept advertisements, then the advertisements delivered to the wireless device are selected by an Ad Selection Code Generator according to demographic and personal preference information obtained from the subscriber, including the location of the subscriber at the time of the call, and additionally according to which advertisements were previously provided to the user. (Owensby para. 63.) If the user is willing to accept advertisements but none is

available, the Call Routine Generator informs the user that no advertisements are available to subsidize the call (Owensby para. 70.)

The Board found that "the system of Owensby, when dealing with subscribers who are willing to accept ads before and/or during a call, will determine whether the location of the cell phone (MU) is inside or outside a predetermined subsidized zone" (Decision on Appeal, p. 14) (emphasis added). The Board additionally found that "If within a zone or calling area where ads (and subsidy) are available, the subscriber will receive the ads and subsidy, the amount of which is determined by the ads available and whether the subscriber will accept ads during a call in addition to before a call . . . If the subscriber's cell phone is in a location where a subsidy is available, the call is billed at a predetermined billing rate" (*Id.*). Further, "If outside an area where ads (and subsidy) are available, the subscriber will not receive ads (or a subsidy) for the call. . . . If the subscriber's cell phone is in a location where no subsidy is available, the subscriber is billed at a second predetermined (non-subsidized) billing rate" (*Id.*).

The Board noted that it was "cognizant of the differences between the disclosed inventions of appellants and Owensby," but that "these differences are not found in appellants' claim 1. In prosecution before the examiner, there is no reason why appellants cannot amend the claims to distinguish over the teachings of Owensby" (*Id.*, at 16).

Following the Board's decision, Appellants amended the independent claims as described above, i.e. by requiring that the billing rate is adjusted responsive solely to a determination that the MU is inside or outside of the subsidized zone. The amendment highlights a significant difference between Appellants' claims and the disclosure of Owensby – Owensby teaches offering a subsidy to a cell phone user if two conditions are met—first, the location of the cell phone must be within a subsidized area, i.e. an area where ads are offered. Second, the user must agree to accept advertisements. In contrast, claim 1

conditions the use of the first billing rate "responsive solely" to the MU's location inside the subsidized zone, irrespective of any agreement to receive advertisements or perform any other steps.

While admitting that Owensby does not disclose the use of a first billing rate "responsive solely to a determination that the MU is inside or outside the predetermined subsidized zone" (August 25, 2006 Office Action, p. 3), the Examiner asserts that it would have been obvious "to utilize the method of Owensby as claimed since dealing [sic] with a mobile unit and it would be appropriate to determine the billing rate based solely to a determination of the MU on the inside or outside the subsidized zone. That would allow the system to target their ads based on the location of the subscriber's cell phone" (*Id.*).

But, as the Board found, Owensby already discloses targeting ads based on the location of a subscriber's cell phone. (Decision on Appeal, p. 12.) Owensby need not be combined with anything to achieve this goal indicated by the Examiner. The Examiner has in effect said that adding the missing limitation to Owensby would have been obvious because it would provide a feature already found in Onwesby. In any event, selecting an advertisement based on the location of the subscriber's cell phone does not teach the claimed element of "responsive solely to a determination that the location of the MU is inside the predetermined subsidized zone, adjusting the billing rate for the telecommunications connection to a first predetermined billing rate". Thus, there is no *prima facie* support for the rejection.

Additionally, the Examiner's rejection is improper because it would change the principle of operation of Owensby. Owensby teaches directing targeted advertisements to users based on the location of their wireless mobile device, and providing a subsidy to those users who agree to accept the advertisements. That is, if the user agrees to accept advertisements and the user is in an area where advertisements are available, then the user

will receive a subsidy. If the user does not agree to view an advertisement, or if the user is in an area where advertisements are not available, then the user does not get a subsidy.

The Examiner states that it would be obvious to combine the teachings of Owensby with the notion of adjusting a billing rate based solely on the MU being within a subsidized zone. Since in Owensby, customers are subsidized as an incentive to view advertisements, the Examiner's suggested modification would change the principle of operation of Owensby, and would in addition render it unsatisfactory for its intended purpose, because it would mean offering a subsidy to any user located in a zone where advertisements were available, without regard to whether the user was willing to accept an advertisement. A combination that changes the principle of operation of a reference or which renders it unsatisfactory for its intended purpose is improper. *In re Gordon*, 733 F.2d 900 (Fed. Cir. 1984); *In re Ratti*, 270 F.2d 810 (CCPA 1959); *MPEP* 2143.01.

Accordingly, the rejection of claims 1, 2, 4, 6-13, 15, 17-24, 26, and 28-33 is improper and should be reversed.

Rejections Under 35 U.S.C. § 103(a) to Owensby in view of Jones

Claims 3, 5, 14, 16, 25 and 27

The Examiner rejected claims 3, 5, 14, 16, 25 and 27 under 35 U.S.C. § 103(a) as being unpatentable over Owensby in view of Jones.

Jones discloses a system for notifying users of the impending arrival of a transportation vehicle at a particular vehicle stop. The Examiner cites a portion of Jones that discloses tracking a vehicle using its longitude and latitude readings or a Universal Transverse Mercator (UTM) grid system (Jones col. 17, lines 8-10).

The combination of Jones and Owensby does not teach the claimed invention. As discussed above, Owensby fails to disclose adjusting a billing rate "responsive solely to a determination that the location of the MU is inside the subsidized zone". The Examiner cites the Jones reference for its teachings related to detection of the MU's location. See, e.g., August 25, 2006 Office Action, p.5. That combination, however, does not cure the defects described above with respect to Owensby. Accordingly, the combination of Jones and Owensby does not disclose each of the limitations of claims 3, 5, 14, 16, 25 or 27, and those claims are therefore patentable over the combination of references and the rejection should be reversed.

Respectfully submitted,
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Dated: September 20, 2007

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Claims Appendix

1. A method for determining a billing rate of a mobile telecommunications connections associated with a mobile telecommunications unit (MU), comprising the steps of:

determining whether a location of the MU is inside or outside a predetermined subsidized zone;

responsive solely to a determination that the location of the MU is inside the subsidized zone, adjusting the billing rate for the telecommunications connection to a first predetermined billing rate; and

responsive solely to a determination that the MU is outside the predetermined subsidized zone, adjusting the billing rate for the telecommunications connection to a second predetermined billing rate.

2. The method of claim 1, wherein the first predetermined billing rate is less than the second predetermined billing rate.

3. The method of claim 1, wherein the location is defined by latitude and longitude.

4. The method of claim 1, wherein the location is determined by a Global Positioning System (GPS).

5. The method of claim 1, wherein the location is defined by Universal Transverse Mercator (UTM) numbers.

6. The method of claim 1, wherein information corresponding to the predetermined subsidized zone is stored in a database.

7. The method of claim 6, wherein the predetermined subsidized zone information comprises a time period, and wherein the billing rate is reduced when the telecommunications connection occurred at least in part during the time period.

8. The method of claim 1, wherein the predetermined subsidized zone is defined by a geographical point and a radius.

9. The method of claim 2, wherein the predetermined subsidized zone is associated with a proximity to a commercial establishment and the commercial establishment pays the first predetermined billing rate.

10. The method of claim 1, wherein the predetermined subsidized zone is one of a plurality of predetermined subsidized zones, each associated with a proximity to a different commercial establishment.

11. The method of claim 10, wherein the ~~standard~~ billing rate is reduced by a first amount when the location of the MU is within a first predetermined subsidized zone, and the billing rate is reduced by a second amount when the location of the MU is within a second predetermined subsidized zone.

12. A system for determining a billing rate of a mobile telecommunications connection associated with a mobile telecommunications unit (MU), comprising:

a processor;

memory for storing computer readable instructions that, when executed by the processor, cause the system to perform the operations of:

determining whether a location of the MU is inside or outside a predetermined subsidized zone;

responsive solely to a determination that the location of the MU is inside the predetermined subsidized zone, adjusting the billing rate for the

telecommunications connection to a first predetermined billing rate; and

responsive to a determination that the MU is outside the predetermined subsidized zone, adjusting the billing rate for the telecommunications connection to a second predetermined billing rate.

13. The system of claim 12, wherein the first predetermined billing rate is less than the second predetermined billing rate.

14. The system of claim 12, wherein the location is defined by latitude and longitude.

15. The system of claim 12, wherein the location is determined by a Global Positioning System (GPS).

16. The system of claim 12, wherein the location is defined by Universal Transverse Mercator (UTM) numbers.

17. The system of claim 12, wherein information corresponding to the predetermined subsidized zone is stored in a database.

18. The system of claim 17, wherein the predetermined subsidized zone information comprises a time period, and wherein the billing rate is reduced when the telecommunications connection occurred at least in part during the time period.

19. The system of claim 12, wherein the predetermined subsidized zone is defined by a geographical point and a radius.

20. The system of claim 12, wherein the predetermined subsidized zone is associated with a proximity to a commercial establishment and the commercial establishment pays the first predetermined billing rate.

21. The system of claim 12, wherein the predetermined subsidized zone is one of a plurality of predetermined subsidized zones, each associated with a proximity to a different commercial establishment.

22. The system of claim 21, wherein the billing rate is reduced by a first amount when the location of the MU is within a first predetermined subsidized zone, and the billing rate is reduced by a second amount when the location of the MU is within a second predetermined subsidized zone.

23. A computer program product for determining a billing rate of a mobile telecommunications connection associated with a mobile telecommunications unit (MU) comprising a computer-readable medium containing computer program code for performing the operations of:

determining whether a location of the MU is inside or outside a predetermined subsidized zone;

responsive solely to a determination that the location of the MU is inside the predetermined subsidized zone, adjusting the billing rate for the telecommunications connection to a first predetermined billing rate; and

responsive solely to a determination that the MU is outside the predetermined subsidized zone, adjusting the billing rate for the telecommunications connection to a second predetermined billing rate.

24. The computer program product of claim 23, wherein the first predetermined billing rate is less than the second predetermined billing rate.

25. The computer program product of claim 23, wherein the location is defined by latitude and longitude.

26. The computer program product of claim 23, wherein the location is determined by a Global Positioning System (GPS).

27. The computer program product of claim 23, wherein the location is defined by Universal Transverse Mercator (UTM) numbers.

28. The computer program product of claim 23, wherein information corresponding to the predetermined subsidized zone is stored in a database.

29. The computer program product of claim 28, wherein the predetermined subsidized zone information comprises a time period, wherein the billing rate is reduced when the telecommunications connection occurred at least in part during the time period.

30. The computer program product of claim 23, wherein the predetermined subsidized zone is defined by a geographical point and a radius.

31. The system of claim 23, wherein the predetermined subsidized zone is associated with a proximity to a commercial establishment and the commercial establishment pays the first predetermined billing rate.

32. The computer program product of claim 23, wherein the predetermined subsidized zone is one of a plurality of predetermined subsidized zones, each associated with a proximity to a different commercial establishment.

33. The computer program product of claim 32, wherein the billing rate is reduced by a first amount when the location of the MU is within a first predetermined subsidized zone, and the billing rate is reduced by a second amount when the location of the MU is within a second predetermined subsidized zone.

Evidence Appendix

None

Related Proceedings Appendix

None